

House Bill 665

By: Representatives Knight of the 130th and Holly of the 111th

A BILL TO BE ENTITLED
AN ACT

1 To provide for the creation of one or more community improvement districts in the City of
2 Locust Grove; to provide for a short title; to provide for the purposes of such districts; to
3 provide for definitions; to provide for boards to administer such districts; to provide for
4 appointment or election of members of such boards; to provide for taxes, fees, and
5 assessments; to provide for the boundaries of such districts; to provide procedures for
6 determining the specifications for projects to be undertaken by the district and the manner
7 of levying taxes, fees, and assessments with respect thereto; to provide for the debt of such
8 districts; to provide for cooperation with local governments; to provide for powers of such
9 boards; to provide for general obligation bonds, notes, and other obligations of such districts;
10 to provide for the form of bonds, provisions for exchange and transfer, certificates of
11 validation, and specification of interest rates; to provide for definition of the terms "cost of
12 the project" and "cost of any project" as used in bond resolutions and elsewhere; to provide
13 for authorized contents of agreements and instruments of the boards generally; to provide for
14 use of proceeds of sale of bonds, notes, and other obligations; to provide for subsequent
15 issues of bonds, notes, and other obligations; to provide for construction; to provide that no
16 notice, proceeding, publication, or referendum shall be required; to provide the procedures
17 connected with all of the foregoing; to provide for the dissolution and reactivation of districts
18 under certain conditions; to provide for related matters; to repeal conflicting laws; and for
19 other purposes.

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

21 SECTION 1.
22 Short title.

23 This Act shall be known and may be cited as the "City of Locust Grove Community
24 Improvement Districts Act."

SECTION 2.**Purpose.**

The purpose of this Act shall be to provide for the creation of one or more community improvement districts within the City of Locust Grove, and each such district shall be created for the provision of the following governmental services and facilities as may be provided for in the resolution activating such district created hereby. Such services and facilities shall be one or more of:

- (1) Street and road construction and maintenance, including curbs, sidewalks, street lights, and devices to control the flow of traffic on streets and roads;
- (2) Parks and recreational areas and facilities;
- (3) Storm-water and sewage collection and disposal systems;
- (4) Development, storage, treatment, purification, and distribution of water;
- (5) Public transportation;
- (6) Terminal and dock facilities and parking facilities; or
- (7) Such other services and facilities as may be provided for by general law.

SECTION 3.**Definitions.**

As used in this Act, the term:

- (1) "Agricultural" means the growing of crops for sale or raising of animals for sale or use, including the growing of field crops and fruit or nut trees, the raising of livestock or poultry, and the operation of dairies, horse boarding facilities, and riding stables.
- (2) "Board" means the governing authority created for the governance of each community improvement district authorized by this Act.
- (3) "Bonds" or "general obligation bonds" means any bonds of a district which are authorized to be issued under the Constitution and laws of Georgia, including refunding bonds but not including notes or other obligations of a district.
- (4) "Caucus of electors" means for the district, the meeting of electors provided for in this Act at which board members of the district are elected.
- (5) "Cost of the project" or "cost of any project" means and includes:
 - (A) All costs of acquisition by purchase or otherwise, construction, assembly, installation, modification, renovation, or rehabilitation incurred in connection with any project or any part of any project;
 - (B) All costs of real property, fixtures, or personal property used in or in connection with or necessary for any project or for any facilities related thereto, including, but not

limited to, the cost of all land, estates for years, easements, rights, improvements, water rights, connections for utility services, fees, franchises, permits, approvals, licenses, and certificates; the cost of securing any such franchises, permits, approvals, licenses, or certificates; and the cost of preparation of any application therefor and the cost of all fixtures; machinery; equipment, including all transportation equipment and rolling stock; furniture; and other property used in or in connection with or necessary for any project;

(C) All interest and other financing charges and loan fees and all interest on bonds, notes, or other obligations of a district which accrue or are paid prior to and during the period of construction of a project and during such additional period as the board may reasonably determine to be necessary to place such project in operation;

(D) All costs of engineering, surveying, and architectural and legal services and all expenses incurred by engineers, surveyors, architects, and attorneys in connection with any project;

(E) All expenses for inspection of any project;

(F) All fees of fiscal agents, paying agents, and trustees for bondholders under any trust agreement, indenture of trust, or similar instrument or agreement; all expenses incurred by any such fiscal agents, paying agents, and trustees; and all other costs and expenses incurred relative to the issuance of any bonds, notes, or other obligations for any projects;

(G) All expenses of or incidental to determining the feasibility or practicability of any project;

(H) All costs of plans and specifications for any project;

(I) All costs of title insurance and examinations of title with respect to any project;

(J) Repayment of any loans made for the advance payment of any part of any of the foregoing costs, including interest thereon and any other expenses of such loans;

(K) Administrative expenses of the board and such other expenses as may be necessary for or incidental to any project or the financing thereof or the placing of any project in operation;

(L) The establishment of a fund or funds for the creation of a debt service reserve, a renewal and replacement reserve, or such other funds or reserves as the board may approve with respect to the financing and operation of any project and as may be authorized by any bond resolution, trust agreement, indenture of trust, or similar instrument or agreement pursuant to the provisions of which the issuance of any bonds, notes, or other obligations of the district may be authorized; and

(M) Any cost, obligation, or expense incurred for any of the foregoing purposes.

(6) "District" means the geographical area designated as such by the resolution of the governing authority consenting to the creation of the community improvement district or as thereafter modified pursuant to subsection (b) of Section 7 of this Act.

(7) "Electors" means the owners of real property used nonresidentially within the district which is then subject to taxes, fees, and assessments levied by the board, as they appear on the most recent ad valorem real property tax return records of Henry County, or one officer or director of a corporate elector, one trustee of a trust which is an elector, one partner of a partnership elector, or one designated representative of an elector whose designation is made in writing.

(8) "Equitably apportioned among the properties subject to such taxes, fees, and assessments according to the need for governmental services and facilities created by the degree of density of development of each such property," with reference to taxes, fees, and assessments levied by the board, means that the burden of the taxes, fees, and assessments shall be apportioned among the properties subject thereto based upon the values established in the most recent ad valorem tax reassessment of such properties certified by the chairperson of the Henry County Board of Tax Assessors or may be apportioned among the properties subject thereto in direct or approximate proportion to the receipt of services or benefits derived from the improvements or other activities for which the taxes, fees, or assessments are to be expended or may be apportioned in any other manner or combination of manners deemed equitable by the board, including, but not limited to, the recognition of differential benefits which may reasonably be expected to accrue to new land development in contrast to lands and improvements already in existence at the time of creation of the community improvement district.

(9) "Forestry" means the planting and growing of trees for sale in a program that includes reforestation of harvested trees, regular underbrush and undesirable growth clearing, fertilizing, pruning, thinning, cruising, and marking which indicate an active tree-farming operation; it does not include the casual growing of trees on land otherwise idle or held for investment, even though some harvesting of trees may occur thereon.

(10) "Project" means the acquisition, construction, installation, modification, renovation, rehabilitation, or operation of land; interests in land, buildings, structures, facilities, or other improvements located or to be located within or otherwise providing service to the district; and the acquisition, installation, modification, renovation, rehabilitation, or furnishing of fixtures, machinery, equipment, furniture, or other property of any nature whatsoever used on, in, or in connection with any such land, interest in land, building, structure, facility, or other improvement, for all the essential public purposes set forth in Section 2 of this Act.

(11) "Property owner" or "owner of real property" means any entity or person shown as a taxpayer for one or more parcels of real estate on the most recent ad valorem tax records of Henry County within the district, as certified by the Henry County tax commissioner. Multiple owners of one parcel shall constitute one property owner and shall designate in writing one of their number to represent the whole.

(12) "Property used nonresidentially" means property or any portion thereof used for neighborhood shopping, planned shopping centers, general commercial, transient lodging facilities, tourist services, office or institutional, office services, light industry, heavy industry, central business district, parking, or other commercial or business use, as well as vacant land zoned or approved for any of the uses listed in this paragraph which does not include residential.

(13) "Residential" means a specific work or improvement undertaken primarily to provide single-family or multifamily dwelling accommodations for persons and families and such community facilities as may be incidental or appurtenant thereto.

(14) "Taxpayer" means any entity or person paying ad valorem taxes on real property, whether on one or more parcels of property within the district. Multiple owners of one parcel shall constitute one taxpayer and shall designate in writing one of their number to represent the whole.

SECTION 4.

Creation.

(a) Pursuant to Article IX, Section VII of the Constitution of the State of Georgia, there are created one or more community improvement districts to be located in the City of Locust Grove, wholly within the incorporated area thereof, each of which shall be activated upon compliance with the conditions provided in this Act and which shall be governed by a board as constituted pursuant to this Act. The conditions for such activation shall be:

(1) The adoption of a resolution consenting to the creation of each community improvement district by the governing authority of the City of Locust Grove; and

(2) Written consent to the creation of the community improvement district by:

(A) A majority of the owners of real property within the district which will be subject to taxes, fees, and assessments levied by the board of the district; and

(B) The owners of real property within the district which constitutes at least 75 percent by value of all real property within the district which will be subject to taxes, fees, and assessments levied by the board and for this purpose, value shall be determined by the most recent approved county ad valorem tax digest.

(b) The written consents provided for in paragraph (2) of subsection (a) of this section shall be submitted to the Henry County tax commissioner, who shall certify whether paragraph (2) of subsection (a) of this section has been satisfied with respect to each such proposed district.

(c) No district or board created under this Act shall transact any business or exercise any powers under this Act until the foregoing conditions of this section are met. A copy of such resolutions shall be filed with the Secretary of State, who shall maintain a record of all districts activated under this Act, and a second copy shall be filed with the Department of Community Affairs.

SECTION 5.

Administration, appointment, and election of board members.

(a) Each district created pursuant to this Act shall be administered by a board composed of five members to be appointed and elected as provided in this section. Two board members shall be appointed by the governing body of the City of Locust Grove, and the remaining board members shall be elected by the electors. The appointed board members shall serve at the pleasure of the governing body of the City of Locust Grove.

(b) The initial board members to be elected by the electors as provided in subsection (a) of this section shall be elected in a caucus of electors, which shall be held within 60 days after the adoption of the resolutions and obtaining the written consents provided for in this Act at such time and place within the district as the governing body of the City of Locust Grove shall designate after notice thereof shall have been given to said electors by publishing such notice in the legal organ of Henry County as provided in this Act and by contacting each elector by United States mail at the address indicated in the property tax rolls. The mayor of the City of Locust Grove or the mayor's designee shall convene the initial caucus of electors. A quorum of any such caucus shall consist of those electors present, and a majority of those present and voting is necessary to elect board members. No proxy votes may be cast. Thereafter, there shall be conducted biennially, not later than 60 days following the last day for filing ad valorem real property tax returns in Henry County, a caucus of said electors at such time and place within the district as the board shall designate in such notice for the purpose of electing board members to those positions which have terms expiring or that are vacant. If a vacancy occurs in an elected position on the board, the board shall, within 60 days thereafter, call a special election to fill the same to be held within 60 days of the call unless such vacancy occurs within 180 days of the next regularly scheduled election, in which case a special election may, but need not, be called. For any election held under the provisions of this Act, notice of such election shall be given to the electors by:

(1) Publishing notice thereof in the legal organ of Henry County at least once each week for four weeks prior to such election; and

(2) Contacting each elector at least 31 days prior to such election by United States mail at the address indicated in the property tax rolls.

(c) One board member shall be elected by majority vote of the electors present and voting at the caucus on the basis of one vote for each elector. Such board member shall be elected to a term of office of two years at the initial caucus of electors when the board is first formed and to terms of office of four years thereafter. Two board members shall be elected by majority of the votes cast by the electors present and voting at the caucus, with each elector having one vote for each \$1,000.00, or fraction thereof, in assessed value of the property owned by the elector subject to taxes, fees, or assessments levied by the board. Such board members shall be elected to a term of office of four years at the initial caucus of electors when the board is first formed and to terms of office of four years thereafter. All vacancies to be filled through election shall be filled by majority vote in the same manner as that for the board member previously holding the seat.

(d) The board members shall receive no compensation for their services but shall be reimbursed for actual expenses incurred in the performance of their duties. They shall elect one of their members as chairperson and another as vice chairperson and shall also elect a secretary and a treasurer or a secretary-treasurer, either of whom may, but need not, be a member of the board.

(e) Chapter 2 of Title 21 of the O.C.G.A., the "Georgia Election Code," shall not apply to the election of district board members. Any district board may adopt such bylaws not inconsistent herewith to provide for any matter concerning such elections.

(f) Board members elected by the electors shall be electors within the district. If such board member ceases to be an elector, such board member's position shall be declared vacant as of the date of the event terminating such status.

SECTION 6.

Taxes, fees, and assessments.

(a) The board may levy taxes, fees, and assessments within the district only on real property used nonresidentially, specifically excluding all property exempt from ad valorem taxation under the Constitution or laws of the State of Georgia; all property used for residential, agricultural, or forestry purposes; and all tangible personal property and intangible property. Any tax, fee, or assessment so levied shall not exceed 2 1/2 percent of the aggregate assessed value of all such real property. The taxes, fees, and assessments levied by the board shall be equitably apportioned among the properties subject to such taxes, fees, and assessments,

234 according to the need for governmental services and facilities created by the degree of
235 density of development of each such property. The proceeds of taxes, fees, and assessments
236 levied by the board shall be used only for the purpose of providing governmental services
237 and facilities which are specially required by the degree of density of development within the
238 applicable district and not for the purpose of providing those governmental services and
239 facilities provided to the county or municipality as a whole. Any tax, fee, or assessment so
240 levied shall be collected by Henry County in the same manner as taxes, fees, and assessments
241 are levied by the county. Delinquent taxes shall bear the same interest and penalties as
242 Henry County ad valorem taxes and may be enforced and collected in the same manner. The
243 proceeds of taxes, fees, and assessments so levied, less a reasonable fee to cover the actual
244 costs of collection, including an allocable share of administrative costs for the time spent by
245 public employees in connection with such collection, but not more than \$25,000.00 in any
246 one calendar year, shall be transmitted by Henry County to the board and shall be expended
247 by the board only for the purposes authorized by this Act.

248 (b) The board shall levy the taxes, fees, and assessments provided for in subsection (a) of
249 this section subsequent to the report of the assessed taxable values for the current calendar
250 year and shall notify in writing the collecting governing authority so it may include the levy
251 on its regular ad valorem tax bills. The proceeds of taxes, fees, and assessments so levied,
252 less the fee to cover the costs of collection as specified in subsection (a) of this section, shall
253 be transmitted by the collecting governing authority to the board and shall be expended by
254 the board only for the purposes authorized by this Act.

255 (c) If, but for this provision, a parcel of real property is removed from a district or otherwise
256 would become nontaxable, it shall continue to bear its tax millage, then extant upon such
257 event for bonded indebtedness of the district then outstanding, until the bonded indebtedness
258 then outstanding is paid or refunded.

259 **SECTION 7.**

260 **Boundaries of the districts.**

261 (a) The boundaries of each district shall be as designated as such by the governing authority
262 of the City of Locust Grove and shall lie wholly within the incorporated area of the City of
263 Locust Grove as set forth in the resolutions required in Section 4 of this Act, or as may
264 thereafter be added as provided in this Act.

265 (b) The boundaries of a district may be increased after the initial creation of a district
266 pursuant to the following:

(1) Written consent of a majority of the owners of real property within the area sought to be annexed into the district and which will be subject to taxes, fees, and assessments levied by the board of the district is first obtained;

(2) Written consent of owners of real property within the area sought to be annexed into the district which constitutes at least 75 percent by value of all real property within the area sought to be annexed into the district which will be subject to taxes, fees, and assessments levied by the board and, for this purpose, which value shall be determined by the most recent approved county ad valorem tax digest;

(3) The adoption of a resolution consenting to the annexation by the board of the district; and

(4) The adoption of a resolution consenting to the annexation by the governing authority of the City of Locust Grove.

SECTION 8.

Debt.

Each district may incur debt without regard to the requirements of Article IX, Section V, of the Constitution of Georgia, or any other provision of law prohibiting or restricting the borrowing of money or the creation of debt by political subdivisions of the State of Georgia, and the debt shall be backed by the full faith, credit, and taxing power of the district, but shall not be an obligation of the State of Georgia, the City of Locust Grove, or any other unit of government of the State of Georgia other than the district. Each district may issue notes or other obligations, other than general obligation bonds, payable solely from the property pledged to pay such notes or other obligations, as contemplated in Section 11 of this Act.

SECTION 9.

Cooperation with local governments.

The services and facilities provided pursuant to this Act shall be provided for in a cooperation agreement executed jointly by the board and the governing authority of the City of Locust Grove. If the parties to the cooperation agreement so agree, the cooperation agreement may provide that such private persons as are designated by the district perform the actual construction or improvement of the services and facilities provided by the district. The provisions of this section shall in no way limit the authority of the City of Locust Grove to provide services or facilities within the district; and the City of Locust Grove shall retain full and complete authority and control over any of its facilities located within its respective areas of any district. Such control shall include, but not be limited to, the modification of,

300 access to, and degree and type of services provided through or by facilities of the
301 municipality. Nothing contained in this section shall be construed to limit or preempt the
302 application of any governmental laws, ordinances, resolutions, or regulations to the district
303 or the services or facilities provided within the district.

304 **SECTION 10.**

305 **Powers.**

306 (a) Each district and its board created pursuant to this Act shall have all of the powers
307 necessary or convenient to carry out and effectuate the purposes and provisions of this Act,
308 including, without limiting the generality of the foregoing, the power:

309 (1) To bring and defend actions;

310 (2) To adopt and amend a corporate seal;

311 (3) To make and execute contracts, agreements, and other instruments necessary or
312 convenient to exercise the powers of the board or to further the public purposes for which
313 the district is created, including, but not limited to, contracts for construction of projects,
314 leases of projects, contracts for sale of projects, agreements for loans to finance projects,
315 contracts with respect to the use of projects, and agreements with other jurisdictions or
316 community improvement districts regarding multijurisdictional projects or services or for
317 other cooperative endeavors to further the public purposes of the district;

318 (4) To acquire by purchase, lease, or otherwise, and to hold, lease, and dispose of real
319 and personal property of every kind and character, or any interest therein, in furtherance
320 of the public purposes of the district;

321 (5) To finance by loan, grant, lease, or otherwise, and to construct, erect, assemble,
322 purchase, acquire, own, repair, remodel, renovate, rehabilitate, modify, maintain, extend,
323 improve, install, sell, equip, expand, add to, operate, or manage projects and to pay the
324 cost of any project from the proceeds of bonds, notes, or other obligations of the district
325 or any other funds of the district, or from any contributions or loans by persons,
326 corporations, partnerships, whether limited or general, or other entities, all of which the
327 board is authorized to receive, accept, and use;

328 (6) To borrow money to further or carry out its public purposes and to execute bonds,
329 notes, other obligations, leases, trust indentures, trust agreements, agreements for the sale
330 of its bonds, notes, or other obligations, loan agreements, security agreements,
331 assignments, and such other agreements or instruments as may be necessary or desirable,
332 in the judgment of the board, to evidence and to provide security for such borrowing;

333 (7) To issue bonds, notes, or other obligations of the district and use the proceeds thereof
334 for the purpose of paying all or any part of the cost of any project and otherwise to further

or carry out the public purposes of the district and to pay all costs of the board incidental to, or necessary and appropriate to, furthering or carrying out such purposes;

(8) To make application directly or indirectly to any federal, state, county, or municipal government or agency or to any other source, whether public or private, for loans, grants, guarantees, or other financial assistance in furtherance of the district's public purposes and to accept and use the same upon such terms and conditions as are prescribed by such federal, state, county, or municipal government or agency or other source;

(9) To enter into agreements with the federal government or any agency thereof to use the facilities or services of the federal government or any agency thereof in order to further or carry out the public purposes of the district;

(10) To contract for any period, not exceeding 50 years, with the State of Georgia, state institutions, or any municipal corporation, county, or political subdivision of this state for the use by the district of any facilities or services of the state or any such state institution, municipal corporation, county, or political subdivision of this state, or for the use by any state institution or any municipal corporation, county, or political subdivision of the state of any facilities or services of the district, provided that such contracts shall deal with such activities and transactions as the district and any such political subdivision with which the district contracts are authorized by law to undertake;

(11) To receive and use the proceeds of any tax levied by any county or any municipal corporation to pay the costs of any project or for any other purpose for which the board may use its own funds pursuant to this Act;

(12) To receive and administer gifts, grants, and devises of money and property of any kind and to administer trusts;

(13) To use any real property, personal property, or fixtures, or any interest therein, or to rent or lease such property to or from others or make contracts with respect to the use thereof, or to sell, lease, exchange, transfer, assign, pledge, or otherwise dispose of or grant options for any such property in any manner for the advantage of the district and the public purposes thereof;

(14) To appoint, select, and employ engineers, surveyors, architects, urban or city planners, fiscal agents, attorneys, and others, and to fix their compensation and pay their expenses;

(15) To encourage and promote the improvement and development of the district and to make, contract for, or otherwise cause to be made long-range plans or proposals for the district in cooperation with the City of Locust Grove;

(16) To adopt bylaws governing the conduct of business by the board, the election and duties of officers of the board, and other matters as the board considers appropriate for the bylaws;

(17) To invest its funds, whether derived from the issuance of bonds or otherwise, in such manner as it may deem prudent and appropriate;

(18) To exercise any power granted by the laws of this state to public or private corporations which is not in conflict with the public purposes of the district; and

(19) To do all things necessary or convenient to carry out the powers conferred by this Act.

(b) The powers enumerated in this section are cumulative of and in addition to those powers enumerated elsewhere in this Act; and no such power shall limit or restrict any other power of the board.

SECTION 11.

Bonds - generally.

(a) Notes or other obligations issued by a district, other than general obligation bonds, shall be paid solely from the property pledged to pay such notes or other obligations. General obligation bonds issued by any district shall constitute a general obligation of the district to the repayment of which the full faith, credit, and taxing power of the district shall be pledged.

(b) All bonds, notes, and other obligations of any district shall be authorized by resolution of its board, adopted by a majority vote of the board members at a regular or special meeting.

(c) Bonds, notes, or other obligations shall bear such date or dates, shall mature at such time or times but not more than 40 years from their respective dates, shall bear interest at such rate or rates which may be fixed or may fluctuate or otherwise change from time to time, shall be subject to redemption on such terms, and shall contain such other terms, provisions, covenants, assignments, and conditions as the resolution authorizing the issuance of such bonds, notes, or other obligations may permit or provide. The terms, provisions, covenants, assignments, and conditions contained in or provided or permitted by any resolution of the board authorizing the issuance of such bonds, notes, or other obligations shall bind the board members of the district then in office and their successors.

(d) The board shall have power from time to time, and whenever it deems it expedient, to refund any bonds by the issuance of new bonds, whether or not the bonds to be refunded have matured, and may issue bonds partly to refund bonds then outstanding and partly for any other purpose permitted by this Act. The refunding bonds may be exchanged for the bonds to be refunded, with such cash adjustments as may be agreed upon, or may be sold and the proceeds applied to the purchase or redemption of the bonds to be refunded.

(e) There shall be no limitation upon the interest rates or any maximum interest rate or rates on any bonds, notes, or other obligations of the district; and the usury laws of this state shall not apply to bonds, notes, or other obligations of these districts.

407 (f) Bonds issued by a district may be in such form, either coupon or fully registered, or both
408 coupon and fully registered, and may be subject to such exchangeability and transferability
409 provisions as the bond resolution authorizing the issuance of such bonds or any indenture or
410 trust agreement may provide.

411 (g) Bonds issued by a district shall be validated under and in accordance with Article 3 of
412 Chapter 82 of Title 36 of the O.C.G.A., known as the "Revenue Bond Law," or in accordance
413 with such other successor provision governing bond validation generally as may be provided
414 by law. The signature of the clerk of the Superior Court of Henry County shall be made on
415 the certificate of validation of such bonds by facsimile or by manual execution, stating the
416 date on which such bonds were validated, and such entry shall be original evidence of the
417 fact of judgment and shall be received as original evidence in any court in this state.

418 (h) In lieu of specifying the rate or rates of interest which such bonds are to bear, and the
419 principal amount and maturities of such bonds, the notice to the district attorney or the
420 Attorney General, and the notice to the public of the time, place, and date of the validation
421 hearing, and the petition and complaint for validation may state that the bonds when issued
422 will bear interest at a rate not exceeding a maximum per annum rate of interest, which may
423 be fixed or may fluctuate or otherwise change from time to time, and that the principal
424 amount will not exceed and the final maturity date will not be later than as specified in such
425 notices and petition and complaint; or the notice or notices may state that, in the event the
426 bonds are to bear different rates of interest for different maturity dates, none of such rates
427 will exceed the maximum rate, which may be fixed or may fluctuate or otherwise change
428 from time to time, as so specified; provided, however, that nothing in this section shall be
429 construed as prohibiting or restricting the right of a board to sell such bonds at a discount,
430 even if in doing so, the effective interest cost resulting therefrom would exceed the maximum
431 per annum interest rate specified in such notices and in the petition and complaint.

432 (i) The terms "cost of the project" and "cost of any project" shall have the meaning
433 prescribed by this Act whenever those terms are referred to in bond resolutions of a board;
434 in bonds, notes, or other obligations of the districts; or in notices of proceedings to validate
435 such bonds of a district.

SECTION 12.

Authorized contents of agreements and instruments of the board generally; use of proceeds of sale of bonds, notes, and other obligations; subsequent issuance of bonds, notes, and other obligations.

(a) Subject to the limitations and procedures provided by this section and Section 11 of this Act, the agreements or instruments executed by a board may contain such provisions not inconsistent with law as shall be determined by such board.

(b) The proceeds derived from the sale of all bonds, notes, and other obligations issued by a district shall be held and used for the ultimate purpose of paying, directly or indirectly as permitted by this Act, all or part of the cost of any project, or for the purpose of refunding any bonds, notes, or other obligations issued in accordance with this Act.

(c) Issuance by a board of one or more series of bonds, notes, or other obligations for one or more purposes shall not preclude it from issuing other bonds, notes, or obligations in connection with the same project or with any other project; but the proceeding wherein any subsequent bonds, notes, or other obligations are issued shall recognize and protect any prior loan agreement, security agreement, or other agreement or instrument made for any prior issuance of bonds, notes, or other obligations, unless, in the resolution authorizing such prior issuance, the right is expressly reserved to the board to issue subsequent bonds, notes, or other obligations on a parity with such prior issuance.

SECTION 13.

Construction; notice, proceeding, publication, referendum.

This Act shall be liberally construed to effect the purposes hereof. No notice, proceeding, or publication, except those required by this Act, shall be necessary to the performance of any act authorized by this Act, nor shall any such act be subject to referendum.

SECTION 14.

Dissolution.

(a)(1) Any community improvement district activated under the provisions of this Act may be dissolved.

(2) The conditions for such dissolution shall be:

(A) The adoption of a resolution approving of the dissolution of such community improvement district by the governing authority of the City of Locust Grove; and

(B) The written consent to the dissolution of the community improvement district by:

(i) Two-thirds of the owners of real property within the district which are subject to taxes, fees, and assessments levied by the board of the district; and

(ii) The owners of real property constituting at least 75 percent by value of all real property within the district which are subject to taxes, fees, and assessments levied by the board. For this purpose, value shall be determined by the most recent approved county ad valorem tax digest.

(3) The written consent provided for in subparagraph (B) of paragraph (2) of this subsection shall be submitted to the Henry County tax commissioner, who shall certify whether subparagraph (B) of paragraph (2) of this subsection has been satisfied with respect to each proposed district dissolution.

(b) In the event that successful action is taken pursuant to this section to dissolve the district, the dissolution shall become effective at such time as all debt obligations of the district have been satisfied. Following a successful dissolution action and until the dissolution becomes effective, no new projects may be undertaken, obligations or debts incurred, or property acquired.

(c) Upon a successful dissolution action, all noncash assets of the district other than public facilities or land or easements to be used for such public facilities, as described in Section 2 of this Act, shall be reduced to cash and, along with all other cash on hand, shall be applied to the repayment of any debt obligation of the district. Any cash remaining after all outstanding obligations are satisfied shall be remitted to the City of Locust Grove.

(d) When a dissolution becomes effective, the City of Locust Grove shall take title to all property previously in the ownership of the district, and all taxes, fees, and assessments of the district shall cease to be levied and collected.

(e) A district may be reactivated in the same manner as an original activation.

(f) In the event that any district shall be dissolved in accordance with this section, the board shall serve until December 31 of the year in which dissolution was approved for the purpose of concluding any ongoing matters and projects. However, if such ongoing matters and projects cannot be concluded by December 31 of such year, then the governing authority of the City of Locust Grove shall assume the duties of the administrative board and shall be expressly authorized to exercise the authority of the administrative board. In the alternative, the governing authority of the City of Locust Grove may, by resolution, assume all rights and obligations of the district, either bonds or otherwise, and the district shall cease to exist upon the adoption of such resolution.

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SECTION 15.
Repealer.

503 All laws and parts of laws in conflict with this Act are repealed.